

# House Study Bill 632 - Introduced

HOUSE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
LOCAL GOVERNMENT BILL BY  
CHAIRPERSON GASKILL)

## A BILL FOR

1 An Act relating to the collection of the use tax on  
2 manufactured housing, the licensing of manufactured home  
3 retailers, and making penalties applicable.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 103A.55, subsection 1, Code 2009, is  
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. *g.* Failing to comply with the requirements  
4 of section 423.26A relating to the collection of use tax.

5 Sec. 2. Section 312.1, subsection 1, paragraph d, Code 2009,  
6 is amended to read as follows:

7 *d.* Revenue derived from the use tax collected under  
8 ~~section~~ sections 423.26 and 423.26A, to the extent provided  
9 under section 321.145, subsection 2.

10 Sec. 3. Section 321.20, subsection 1, paragraph e, Code  
11 2009, is amended to read as follows:

12 *e.* The amount of the fee for new registration to be paid  
13 under section 321.105A, ~~or~~ the amount of tax to be paid under  
14 section 423.26, subsection 1, or the amount of tax to be paid  
15 under section 423.26A.

16 Sec. 4. Section 331.557, subsection 3, Code 2009, is amended  
17 to read as follows:

18 3. Collect and forward the use tax on vehicles subject  
19 only to a certificate of title and on manufactured housing as  
20 provided in section 423.14, ~~and~~ section 423.26, subsection 1,  
21 and section 423.26A.

22 Sec. 5. Section 423.14, subsection 2, paragraph a, Code  
23 2009, is amended to read as follows:

24 *a.* The tax upon the use of all vehicles subject only to the  
25 issuance of a certificate of title ~~or the tax upon the use of~~  
26 ~~manufactured housing~~ shall be collected by the county treasurer  
27 or the state department of transportation pursuant to section  
28 423.26, subsection 1. The county treasurer shall retain one  
29 dollar from each tax payment collected, to be credited to the  
30 county general fund.

31 Sec. 6. Section 423.16, subsection 1, Code 2009, is amended  
32 to read as follows:

33 1. The retail sale or transfer of watercraft, modular  
34 homes, ~~manufactured housing~~, or mobile homes, and the retail  
35 sale, excluding lease or rental, of motor vehicles, trailers,

1 semitrailers, or aircraft that do not qualify as transportation  
2 equipment, as defined in section 423.15, subsection 3.

3 Sec. 7. Section 423.26, subsection 1, paragraph a, Code  
4 2009, is amended to read as follows:

5 a. The use tax imposed upon the use of vehicles subject  
6 only to the issuance of a certificate of title ~~or imposed upon~~  
7 ~~the use of manufactured housing~~ shall be paid by the owner  
8 of the vehicle ~~or of the manufactured housing~~ to the county  
9 treasurer or the state department of transportation from whom  
10 the certificate of title is obtained. A certificate of title  
11 shall not be issued until the tax has been paid. The county  
12 treasurer or the state department of transportation shall  
13 require every applicant for a certificate of title to supply  
14 information as the county treasurer or the director deems  
15 necessary as to the time of purchase, the purchase price,  
16 ~~installed purchase price,~~ and other information relative to the  
17 purchase of the vehicle ~~or manufactured housing~~. On or before  
18 the tenth day of each month, the county treasurer or the state  
19 department of transportation shall remit to the department the  
20 amount of the taxes collected during the preceding month.

21 Sec. 8. NEW SECTION. **423.26A Manufactured housing —**  
22 **collection of use tax — certificate of title.**

23 1. Except as provided in subsection 3, the use tax imposed  
24 upon the use of manufactured housing shall be paid by the owner  
25 of the manufactured housing to the manufactured home retailer  
26 licensed under chapter 103A. The owner of the manufactured  
27 housing shall also provide to the manufactured home retailer  
28 all information necessary to complete and submit an application  
29 for a certificate of title.

30 2. Use tax collected by the manufactured home retailer shall  
31 be forwarded to the county treasurer or the state department of  
32 transportation. The county treasurer shall retain one dollar  
33 from each tax payment collected by a manufactured home retailer  
34 and paid to the county treasurer, to be credited to the county  
35 general fund. The manufactured home retailer shall submit an

1 application for certificate of title on behalf of the owner of  
2 the manufactured housing.

3 3. The use tax imposed upon the use of manufactured housing  
4 brought into the state of Iowa which has not previously been  
5 subject to the tax imposed under this subchapter and for which  
6 that tax has not been paid, shall be paid by the owner of the  
7 manufactured housing to the county treasurer or the state  
8 department of transportation from whom the certificate of title  
9 is obtained. The owner of the manufactured housing shall  
10 submit an application for a certificate of title. Section  
11 423.22 shall apply in the case where the owner has paid tax in  
12 another state.

13 4. The county treasurer or the state department of  
14 transportation shall require every application for a  
15 certificate of title to include information as the county  
16 treasurer or the director deems necessary as to the time of  
17 purchase, the purchase price, installed purchase price, and  
18 other information relative to the purchase of the manufactured  
19 housing.

20 5. A certificate of title shall not be issued until the tax  
21 has been paid. A certificate of title shall be delivered to  
22 the owner of the manufactured housing by the county treasurer  
23 or state department of transportation who received the use tax.

24 6. On or before the tenth day of each month, the county  
25 treasurer or the state department of transportation shall remit  
26 to the department the amount of the taxes collected during the  
27 preceding month.

28 7. A person who willfully makes a false statement in regard  
29 to taxation under this section is guilty of a fraudulent  
30 practice. A person who willfully makes a false statement in  
31 regard to taxation under this section with the intent to evade  
32 the payment of tax shall be assessed a penalty of seventy-five  
33 percent of the amount of tax unpaid and required to be paid.

34 Sec. 9. Section 423.36, subsection 8, paragraph b,  
35 subparagraph (2), Code 2009, is amended to read as follows:

1 (2) Taxes imposed under section 423.26, section  
2 423.26A, and chapter 423C.

3 Sec. 10. Section 423.43, subsection 2, Code 2009, is amended  
4 to read as follows:

5 2. All revenue derived from the use tax imposed pursuant  
6 to ~~section~~ sections 423.26 and 423.26A shall be credited to  
7 the statutory allocations fund created under section 321.145,  
8 subsection 2.

9 EXPLANATION

10 Current Code section 423.26 requires the use tax imposed  
11 upon the use of vehicles subject only to the issuance of a  
12 certificate of title or imposed upon the use of manufactured  
13 housing to be paid by the owner of the vehicle or of the  
14 manufactured housing to the county treasurer or the department  
15 of transportation.

16 This bill removes manufactured housing from Code section  
17 423.26 and enacts a new Code section 423.26A relating to the  
18 collection of the use tax on manufactured housing. The bill  
19 requires the use tax imposed upon the use of manufactured  
20 housing to be paid by the owner of the manufactured housing  
21 to the manufactured home retailer licensed under Code chapter  
22 103A. The bill requires the manufactured home retailer to  
23 submit an application for certificate of title on behalf  
24 of the owner of the manufactured housing. To facilitate  
25 this application, the bill requires the owner to provide to  
26 the manufactured home retailer all information necessary to  
27 submit an application for a certificate of title. The bill  
28 requires, however, that the use tax imposed on manufactured  
29 housing brought in the state be paid by the owner to the  
30 county treasurer or the state department of transportation.  
31 In such cases, the owner is also responsible for submitting  
32 the application for the certificate of title. The bill also  
33 makes Code section 423.22 applicable to manufactured housing  
34 brought into the state and for which the owner has paid taxes  
35 in another state.

1 Under the bill, use tax collected by the manufactured home  
2 retailer must be forwarded to the county treasurer or the state  
3 department of transportation from whom the certificate of title  
4 is obtained. The county treasurer is authorized to retain one  
5 dollar from each tax payment collected by a manufactured home  
6 retailer and paid to the county treasurer. The bill provides  
7 that on or before the tenth day of each month, the county  
8 treasurer and the department of transportation must remit to  
9 the department of revenue the amount of the taxes collected  
10 during the preceding month.

11 The bill provides that all revenue derived from the use  
12 tax imposed pursuant to new Code section 423.26A is credited  
13 to the statutory allocations fund created under Code section  
14 321.145, subsection 2, under the control of the department of  
15 transportation.

16 The bill provides that a person who willfully makes a false  
17 statement in regard to taxation under new Code section 423.26A  
18 is guilty of a fraudulent practice under Code chapter 714. The  
19 bill also provides that a person who willfully makes a false  
20 statement in regard to taxation under this section with the  
21 intent to evade the payment of tax is assessed a penalty of 75  
22 percent of the amount of tax unpaid and required to be paid.

23 The bill also includes the failure to comply with the  
24 requirements of new Code section 423.26A as grounds for the  
25 revocation, suspension, or refusal of a manufactured home  
26 retailer license under Code section 103A.55.

27 The bill makes conforming amendments to other provisions of  
28 the Code relating to the collection of the use tax.